

Pennsylvania Supreme Court denies Philadelphia's appeal on property reassessment case

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The Philadelphia skyline.

Pennsylvania's Supreme Court has denied Philadelphia's request to appeal a Commonwealth Court ruling that determined it was illegal and unconstitutional when the city focused solely on commercial properties during a 2018 reassessment.

In denying the appeal, the state supreme court reaffirmed not only the Commonwealth Court's ruling but a [lower court ruling that came to the same conclusion](#) that Philadelphia violated the Pennsylvania and Federal Constitution and the requirement of uniform and fair assessments.

The city can't single out one property type over another when it undertakes a reassessment, according to the court rulings. To be fair, a reassessment must involve both residential and commercial real estate. Commercial properties include offices, hotels, warehouses, retail centers and apartments and the 2018 reassessment accounted for \$118 million in new revenue for the city.

With this latest ruling, the city has failed three consecutive times to have a court support its decision to reassess just commercial properties.

"This was the city's last level of appeal," said [Peter Kelsen](#), an attorney with Blank Rome who represented owners of commercial properties such as 1601 Market St. and the Claridge who appealed the reassessments and were involved in the case. Close to 300 properties were part of the litigation.

The city will now have to abide by the courts' orders in terms of reassessment, a refund of taxes, interest and penalties, Kelsen said. "I'm very happy for the taxpayers," he said.

The city is required to refund property owners who paid their tax bills based on the 2018 reassessment and that will translate into a financial obligation in the tens of millions of dollars. One previous estimate pegged it at \$30 million or more. The refunds will include use and occupancy taxes plus interest.

It's unclear how the city will pay for the refunds, what the total amount will be, when it will be paid, and whether it will need to be made part of Mayor [Jim Kenney's proposed \\$5.6 billion budget](#). A representative from the city couldn't be immediately reached for comment.

Philadelphia recently undertook for the [first time in three years a reassessment](#) of its more than 580,000 properties in the city.



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